

Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 INRE-00 SSO-00 AID-20 EB-11 FSI-01

PM-07 INR-10 IO-14 L-03 NSAE-00 NSC-10 PA-04 RSC-01

DRC-01 DPW-01 PRS-01 OMB-01 SS-20 /120 W

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O R 091030Z JAN 74

FM AMEMBASSY SAIGON

TO SECSTATE WASHDC IMMEDIATE 617

INFO AMEMBASSY BANGKOK

AMCONSUL BIEN HOA

AMEMBASSY BUDAPEST

AMEMBASSY CANBERRA

AMCONSUL CAN THO

AMCONSUL DANANG

AMEMBASSY JAKARTA

AMEMBASSY LONDON

AMEMBASSY MANILA

AMEMBASSY MSOCOW

AMCONSUL NHA TRANG

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY PHNOM PENH

AMEMBASSY SEOUL

AMEMBASSY TOKYO

USIA WASHDC

AMEMBASSY VIENTIANE

AMEMBASSY WARSAW

AMEMBASSY WELLINGTON

USDEL JEC PARIS

CIA

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WHITE HOUSE

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CINCUSARPAC
DEPCHIEF JUSMAAG UDORN
AMEMBASSY TEHRAN
USDAO/SAIGON

C O N F I D E N T I A L SECTION 1 OF 3 SAIGON 352

C O R R E C T E D C O P Y (TEXT)

EO 11652: GDS
TAGS: PINT PFOR ECON VS
SUBJ: EMBASSY *AIGON'S MISSION WEEKLY JANUARY 3-9, 1974

THE WEEK IN BRIEF

--MR-1 EXPERIENCED ONE OF ITS QUIETEST WEEKS SINCE MID-JULY;
MR-2 REPORTS LEVEL OF INCIDENTS UNCHANGED; MILITARY ACTIVITY
IN MR-3 INCHED UPWARD, WITH THE HEAVIEST CONCENTRATION VIN
HAU NGHIA; MR-4 REPORTS LEVELS MORE TYPICAL OF RECENT MONTHS,
HOWEVER, INFILTRATION CONTINUES UNABATED.
--PRESIDENT THIEU ATTENDS CEREMONY, SPEAKS IN CAN THO
--COMMUNIST REACTION TO PRESIDENT THIEU'S SPEECH -CITES IT
AS EVIDENCE OF CONTINUING US MILITARY INVOLVEMENT IN SVN
--LAM SPEAKS ON PEACE ISSUES AND INTERNAL POLITICS TO ITALIAN
NEWSMAN
--SUPREME PATRIARCH REPORTEDLY NAMES NEW AN QUANG LEADERSHIP
--NO PROGRESS IN GVN""PRG" BILATERALS
--GVN PROTESTS "PRG"/PRC VISA WAIVER AGREEMENT
--FOREIGN MINISTER BAC STILL TRAVELING
--A SWEDISH DELEGATION IN NVN, LAOS
--ZANZIBAR AIDS NVN
--PRICES UP SLIGHTLY, MAINLY ELECTRICITY
--PIASTER EXCHANGE RATE UP
--BLACK MARKET IN PIASTERS STEADY, GOLD UP

I. INTERNAL

A. THE CEASEFIR*

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MR-1 EXPERIENCED ONE OF ITS QUIETEST WEEKS SINCE MID-JULY,
WITH A DAILY AVERAGE OF ONLY 8 VIOLATIONS REPORTED, DOWN FROM
THE PR*VIOUS WEEKS'S 11. IN QUQNG NAM CASUALTIES ON BOTH SIDES
WERE UP, DUE TO MINING BY THE COMMUNISTS AND INCREASED ACTIVITY
BY RVNAF PATROLS. TH* LEVEL OF INCIDENTS IN MR-2 WAS
VIRTUALLY UNCHANGED. TOWARDS THE END OF THE LAST REPORTING
PERIOD, GVN FORCES WERE PREPARING TO ATTACK COMMUNIST POSITIONS
AROUND BU BONG, BUT ELEMENTS OF THE 44TH REGIMENT, WHICH WERE

MOVING INTO POSITION FOR THE ASSAULT WERE ATTACKED AND OVERRUN DURING THE NIGHT OF DEC 29. FOLLOWING THAT INCIDENT, CONTACT HAS BEEN RELATIVELY LIGHT. BOTH KONTUM AND PLEIKU PROVINCES HAVE BEEN QUIET, ALTHOUGH ENEMY INITIATIVES IN THESE AREAS ARE EXPECTED. TWO OUTPOSTS ON THE OUTER DEFENSE PERIMETER OF PHU CAT AIRBASE IN BINH DINH PROVINCE WERE ATTACKED DURING THE NIGHT OF JAN 2-3, AND ONE WAS OVERRUN.

MILITARY ACTIVITY IN MR-3 INCHED UPWARD DURING THE FIRST WEEK OF 1974, WITH THE HEAVIEST CONCENTRATION AGAIN IN HAU NGHIA. CASUALTIES REMAINED HEAVY ON BOTH SIDES. THE MOST SERIOUS COMMUNIST BLOW IN MR-3 FELL IN BINH LONG, WHERE AN NVA ATTACK ON A BATTALION OF THE 5TH DIVISION, RESULTED IN 36 KIA, 41 WIA, AND 22 MIA, WITH ENEMY LOSSES SET AT 3 KIA. THE SCORE WAS SOMEWHAT EVENED FOR THE GVN WHEN COMMUNISTS ATTACKED THE 43RD REGIMENT OF THE 18TH DIVISION IN LONG KHANH PROVINCE. THIS ENCOUNTER REPORTEDLY LEFT 33 COMMUNISTS KILLED AND ONE SQUAD LEADER CAPTURED, WHILE ARVN LOST 3 KIA AND 13 WOUNDED. WHILE DISCOUNTING THE LIKELIHOOD OF A GENERAL OFFENSIVE DURING THE TET HOLIDAYS, MR-3 HEADQUARTERS INTENDS TO PLACE THE REGION ON PRECAUTIONARY ALERT DURING THAT FOUR-DAY PERIOD BEGINNING JANUARY 23.

IN MR-4, THE LATE DECEMBER HIGHPOINT HAS PAST, WITH VC/NVA ACTIVITY DOWN TO LEVELS MORE TYPICAL OF RECENT MONTHS. NEVERTHELESS, INFILTRATION CONTINUES UNABATED.

THE DEADLOCK OVER THE AGENDA CONTINUED DURING THE JANUARY 3 AND 8 MEETINGS OF THE FOUR PARTY JOINT MILITARY TEAM (FPJMT). ON JAN 3, THE USDEL SENT THE DRVDEL A NOTE OUTLINING THE US TECHNICAL POSITION ON FLIGHT PROCEDURES FOR THE WEEKLY SCHEDULED SAIGON-HANOI LIAISON FLIGHT. THIS HAS BEEN A CAUSE FOR SOME CONCERN SINCE THE DRV CRITICIZED SOME IN-FLIGHT MANUEVERS BY THE USAF AIRCRAFT OCCASIONED BY POOR WEATHER CONDITIONS DURING THE DEC 21 ROUND-ROBIN. THE DRV STATES IT WILL REPLY JAN 18.

ON JAN 4, THE SAIGON-HANOI FLIGHT WAS FLOWN UNDER VFR CONDITIONS. CONFIDENTIAL

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DESPITE THE DEC 28 ICCS MILITARY COMMITTEE ORDER TO BEGIN INVESTIGATIONS, THERE HAS BEEN LITTLE ACTIVITY BY THE ICCS REGIONAL AND SUB-REGIONAL TEAMS. THE INDONESIANS IN A NUMBER OF POSTS COMPLAIN THAT THE IRDEL IS SELDOM WILLING TO MAKE OBSERVATIONS WITH THE INODEL. ON JAN 1, INODEL AMBASSADOR SADRI LEFT SAIGON FOR CONSULTATION.

IN THE TWO PARTY JOINT MILITARY COMMISSION (TPJMC), DISCUSSIONS CONTINUE ON THE DETAILS OF A HOPED FOR PRE-TET RESUMPTION OF PRISONER EXCHANGES. THE RVN DELEGATION IS CONCENTRATING ON ITS PROPOSAL OF FIRST PHASE PRISONER EXCHANGES AT LOC NINH AND DUC CO BEFORE JAN 20. THE "PRG" DELEGATION FOUND OCCASION TO CRITICIZE PRESIDENT THIEU'S JAN 4 CAN THO SPEECH (SEE SECTIONS B AND C BELOW).

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ACTION EA-14

INFO OCT-01 ISO-00 INRE-00 SSO-00 AID-20 EB-11 FSI-01

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O R 091030Z JAN 74

FM AMEMBASSY SAIGON

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INFO AMEMBASSY BANGKOK

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AMEMBASSY PHNOM PENH

AMEMBASSY SEOUL

AMEMBASSY TOKYO

USIA WASHDC

AMEMBASSY VIENTIANE

AMEMBASSY WARSAW

AMEMBASSY WELLINGTON

USDEL JVJBPARIS

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JUSMAAG

WHITE HOUSE

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CINCPACAF
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DEPCHU
F JUSMAAG UDORN
AMEMBASSY TEHRAN
USDAO/SAIGON

C O N F I D E N T I A L SECTION 2 OF 3 SAIGON 352

B. PRESIDENT THIEU ATTENDS CEREMIYY, SPEAKS IN CAN THO JAN 4
PRESIDENT THIEU, A NUMBER OF OTHER SENIOR GVN OFFICIALS, AND
FOREIGN MILITARY ATTACHES VISITED CAN THO JAN 4 FOR WELL-
ORGANIZED MILITARY CEREMONY NOTING THE ELEVENTH ANNIVERSARY OF THE
FOUNDING OF MILITARY REGION 4. THERE WAS AN IMPRESSIVE MILITARY
DISPLAY, AN AWARDS CEREMONY, AND ATHLETIC EVENTS.
PRESIDENT THIEU DELIVERED A MAJOR ADDRESS, REVIEWING THE PROGRESS
OF EVENTS SINCE THE SIGNATURE OF THE PARIS AGREEMENT. THIEU'S
SPEECH WAS AN ELOQUENT APPEAL TO THE SOUTH VIETNAMESE PEOPLE
TO FACE REALISTICALLY THE PROSPECT OF A RENEWED ENEMY OFFENSIVE
WHICH, HE SAID, THE RVNAF MUST FORESTALL BY ATTACKING WHEN AND
WHERE NECESSARY ENEMY FORCES IN THEIR OWN STAGING AREAS. HE
SEEMED OPTIMISTIC THAT THE ENEMY MILITARY THREAT IS BEING
SUCCESSFULLY CONTAINED.
PRESIDENT THIEU RENEWED THE STANDING GVN OFFER TO NEGOTIATE
SERIOUSLY WITH THE COMMUNISTS, WHILE DERIDING THE NLF LEADERS AS
MERE PUPPETS OF HANOI'S OLD MEN AND CASTIGATING THE LATTER FOR
CONTINUING TO SEEK THE CONQUEST OF THE SOUTH. HE PROMISED TO
SUSPEND RVNAF MILITARY OPERATIONS THE MOMENT THE COMMUNISTS HALT
THEIRS.
THROUGHOUT THE SPEECH, THIEU STRUCK A STRONGLY NATIONALISTIC NOTE.
HE ASSERTED THAT SOUTH VIETNAMESE MUST NOT LISTEN TO GROUNDLESS
CRITICISM, FROM WHEREVER IT MAY COME. "IF OUR
PEOPLE WERE TO LOSE, IF THIS COUNTRY WERE TO FAIL, NOBODY
WOULD COME TO OUR RESCUE. IT MUST BE WE WHO SAVE OURSELVES," HE
SAID. SOUTH VIETNAMESE MUST FIGHT WITH VIETNAMESE MEANS,
VIETNAMESE TACTICS, AND VIETNAMESE STRATEGY -- "ADJUSTED TO THE
AMOUNT OF FOREIGN AID WE RECEIVE." IN
SHORT, THE FATE OF SVN WILL
NOT BE DETERMINED ABROAD BUT BY THE VIETNAMESE PEOPLE
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THEMSELVES.
FOREIGN PRESS COMMENTARY HAS FOCUSED ON THIEU'S FIRM LANGUAGE,

ESPECIALLY HIS WARNING THAT GVN ARMED FORCES MAY MOVE AFFIRMATIVELY AGAINST THE GATHERING COMMUNIST CONCENTRATIONS. HOWEVER, DOMESTIC PRESS COMMENTARY, ESPECIALLY DAN CHU, THE ORGAN OF THE GVN'S OWN DEMOCRACY PARTY, GZS CAREFULLY NOTED THAT PRESIDENT THIEU HAD LEFT OPEN THE "DOOR TO RECONCILIATION" THROUGH HIS OFFER OF SERIOUS NEGOTIATIONS LEADING TO A GENERAL ELECTION.

C. COMMUNIST REACTION

COMMUNIST MEDIA AND SPOKESMEN REACTED VIGOROUSLY TO THE CAN THO SPEECHES BY PRESIDENT THIEU, CITING IT AS EVIDENCE OF CONTINUING US MILITARY INVOLVEMENT IN SOUTH VIET-NAM. A FOREIGN MINISTRY SPOKESMAN OF THE SO-CALLED "PRG" STATED THAT THE COMMUNISTS WOULD GO "UNWAVERING IN THE FACE OF THREATS." HE NOTED THE TIMING OF THE SPEECH AS FURTHER PROOF OF THIEU'S "SERVILE" RELATIONSHIP VIS A VIS THE US.

D. UPPER HOUSE CHAIRMAN LAM SPEAKS ON PEACE ISSUES AND INTERNAL POLITICS TO ITALIAN NEWSMAN

IN A JANUARY 4 INTERVIEW WITH A CORRESPONDENT OF THE ROME DAILY GIORNALE D'ITALIA, UPPER HOUSE CHAIRMAN TRAN VAN LAM RECALLED THAT THE COMMUNISTS HAD SIGNED THE JANUARY 1973 TRUCE AGREEMENT SOLELY TO GAIN A PAUSE IN THE FIGHTING. HE BELIEVED THEY STILL NURTURE THEIR AMBITION TO CONQUER SOUTH VIET-NAM AND ARE WORKING TO DESTROY THE CONSTITUTIONAL INSTITUTIONS THAT THE SOUTH VIETNAMESE PEOPLE HAD ESTABLISHED. LAM'S REMARKS WERE WIDELY REPORTED IN SAIGON, INCLUDING COVERAGE BY THE OFFICIAL NEWS AGENCY VIET-NAM PRESS AND THE DEMOCRACY PARTY'S PAPER DAN CHU.

LAM CALLED ON THE COMMUNISTS TO IMPLEMENT THE TRUCE AGREEMENT STRICTLY. IF THEY WOULD ACCEPT A FREE GENERAL ELECTION, HE DECLARED, THE RVN WOULD BE READY TO INVITE INTERNATIONAL SUPERVISION OF THIS EXPRESSION OF POPULAR SELF-DETERMINATION. COMMENTING ON INTERNAL RVN POLITICS, LAM NOTED PARTICULARLY THE GREATER POLITICAL STABILITY THAT NOW EXISTS IN SVN COMPARED TO THE PRE-CEASEFIRE PERIOD. HE ATTRIBUTED THIS TO PUBLIC REALIZATION THAT STABLE LEADERSHIP IS NEEDED TO COUNTER THE COMMUNISTS' CONTINUING GOAL OF MILITARY CONQUEST.

ASKED WHETHER THE CONSTITUTION

WILL BE AMENDED TO ENABLE PRESIDENT THIEU TO RUN FOR ANOTHER TERM, HE REPORTEDLY REPLIED THAT HE DID NOT KNOW.

ACCORDING TO THE INDEPENDENT DAILY DAI DAN TOC, HOWEVER, LAM
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ADDED IN RESPONSE TO THE QUERY THAT SUCH QUESTIONS DEPEND ON THE PEOPLE'S WILL, AND "ALTHOUGH WE ARE STILL BOUND BY THE 1967 CONSTITUTION, WE ARE READY TO RISK OURSELVES TO ACHIEVE THE WILL OF OUR PEOPLE TO BRING PROSPERITY AND PEACE TO OUR NATION." MOST READERS WILL DRAW THE CONCLUSION FROM THIS DUELY CIRCUMSPECT REMARK BY LAM THAT HE DOES NOT BELIEVE SUCH A CONSTITUTIONAL AMENDMENT PRECLUDED.

E. EFFORTS TO RESOLVE IMPASSE AT AN QUANG CONTINUE
RESPONDING TO A SUMMONS FROM A GROUP OF SENIOR AN QUANG BONZES

LED BY THE VENERABLE TRI QUANG, THE 95-YEAR OLD SUPREME
PATRIARCH OF THE JK QUANG UNIFIED BUDDHIST ASSOCIATION,
VENERABLE GIAC NHIE, JOURNEYED TO SAIGON DECEMBER 31 IN
AN EFFORT
TO RESOLVE THE BITTER FEUD WHICH CONTINUES TO RENDER AN QUANG
LEADERLESS. DESPITE NUMEROUS CONSULTATION
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ACTION EA-14

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DRC-01 DPW-01 PRS-01 OMB-01 SS-20 /120 W

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O R 091030Z JAN 74
FM AMEMBASSY SAIGON
TO SECSTATE WASHDC IMMEDIATE 619
INFO AMEMBASSY BANGKOK

AMCONSUL BIEN HOA
AMEMBASSY BUDAPEST
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AMEMBASSY PARIS
AMEMBASSY PHNOM PENH
AMEMBASSY SEOUL
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AMEMBASSY WARSAW
AMEMBASSY WELLINGTON
USDEL JJEC PARIS
CIA
DIA
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CINCPAC

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CINCPACAF
CO 7 PSYOPS GP
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DEPCHIEF JUSMAAG UDORN
AMEMBASSY TEHRAN
USDAO/SAIGON

C O N F I D E N T I A L SECTION 3 OF 3 SAIGON 352

II. EXTERNAL

A. GVN/"PRG" BILATERALS GO ON

AT JAN 4 35TH PLENARY SESSION OF THESE BILATERAL TALKS, BEING HELD IN FRANCE AND SEEKING A PLITICAL SETTLEMENT IN SOUTH VIETNAM, THE TWO SIDES, ALTHOUGH SPEAKING MORE MODERATELY THAN USUAL, REMAINED ON THEIR PREVIOUS POSITIONS (SAIGON *2), AND NO PROGRESS WAS MADE.

B. GVN PROTESTS "PRG"/PRC VISA WAIVER AGREEMENT

ON JAN 8 THE GVN MADE PUBLIC A NOTE SENT JAN 7 TO THE PARTICIPANTS IN THE INTERNATIONAL CONFERENCE ON VIETNAM (FEB 26-MAR 2, 73) PROTESTING A RECENTLY ANNOUNCED AGREEMENT BETWEEN THE PRC AND THE "PRG" (VIET CONG GOVERNMENT) FOR RECIPROCAL WAIVER OF VISA REQUIREMENTS FOR EACH OTHER'S CITIZENS (SAIGON 42). THE GVN'S NOTE TERMS THIS AGREEMENT AN INTERFERENCE IN THE GVN'S INTERNAL AFFAIRS AND AN INFRINGEMENT OF ITS RIGHT TO CONTROL ALL SOUTH VIETNAMESE TERRITORY, AND CALLS THE AGREEMENT "NULL AND VOID". THIS NOTE IS THE THIRTEENTH SENT BY THE GVN TO THE PARTICIPANTS IN THE CONFERENCE AND THE TWELFTH TO PROTEST SPECIFIC ACTIONS BY THE DRV OR "PRG".

C. FOREIGN MINISTER'S ACTIVITIES

OFFICIAL PRESS HAS BEEN GIVING CONTINUED COVERAGE TO ACTIVITIES OF FOREIGN MINISTER VUONG VAN BAC WHO IS STILL ABROAD HAVING LEFT THE COUNTRY ON DEC 8, SPECIFICALLY, RECENT INTERVIEWS WITH FRENCH RADIO-TV AND BBC IN PARIS AND LONDON, AND HIS ONWARD TRAVEL TO JAPAN ON JAN 8 FOR AN OFFICIAL VISIT. BAC WILL RETURN TO SAIGON

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JAN 10.

D. SWEDISH DELEGATION VISITING INDOCHINA

VIETNAM NEWS AGENCY (VNA) REPORTED ON JAN 3 THAT A DELEGATION REPRESENTING THE "SWEDISH COMMITTEE OF SUPPORT FOR VIETNAM" HAD ARRIVED IN HANOI. THE DELEGATION, LED BY BERGITTA DEHL, M.P., WAS IN COMMUNIST-CONTROLLED SA NEUA PROVINCE, LAOS, ON JAN 4, ACCORDING TO A PATHET LAO NEWS AGENCY DESPATCH ON THE 8TH.

E. ZANZIBAR AIDS NORTH VIETNAM

ACCORDING TO A JAN 4 VNA REPORT, A GIFT OF TWO MILLION TANZANIAN SHILLINGS WAS RECEIVED IN HANOI ON DEC 24. THE MONEY, CONTRIBUTED BY THE ZANZIBAR GOVERNMENT (PART OF THE UNITED REPUBLIC OF TANZANIA), WILL BE USED FOR RECONSTRUCTION IN NORTH VIETNAM.

END CONFIDENTIAL

BEGIN UNCLASSIFIED

III. ECONOMIC

PRICES

THE VIETNAMESE POPULACE RECEIVED ITS TET BONUS THIS WEEK WHEN THE GVN UNNOUNCED THERE WOULD BE NO FURTHER PRICE INCREASES FOR POL PRODUCTS BEFORE TET (JAN 23 - 25). THAT DID NOT STOP THE VIETNAM POWER CO. FROM RAISING ITS RATES FOR ELECTRICITY BY 21 PERCENT, HOWEVER, AN INCREASE THAT ACCOUNTED FOR MOST OF A 0.7 PERCENT RISE IN THE USAID RETAIL PRICE INDEX FOR THE FIRST WEEK OF 1974.

BLACK MARKET CURRENCY AND GOLD

DESPITE A 10 PIASTER INCREASE IN THE OFFICIAL EXCHANGE RATE (SEE BELOW), THE BLACK MARKET QUOTE FOR US\$100 GREEN ROSE ONLY 3 PIASTERS TO 565 FOR THE WEEK ENDING JAN 7. US\$10 GREEN, MORE-OVER, SOLD FOR JUST 558 ON JAN 7, A 2 PIASTER DISCOUNT FROM THE NEW 560:1 OFFICIAL RATE. APPARENTLY RESPONDING TO DEVELOPMENTS IN THE INTERNATIONAL GOLD MARKET, THE PRICE OF GOLD LEAF IN CONTRAST, ROSE A SHARP VN\$2,800 PER TAE LAST WEEK. AT THE NEW OFFICIAL EXCHANGE RATE THIS EQUATES TO A US\$ DOLLAR PRICE OF
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\$103.38 PER TROY OUNCE, UP \$2.35 FROM A WEEK EARLIER. THE HONG-KONG GOLD PRICE REPORTEDLY ROSE \$7.78 PER TROY OUNCE OVER THE SAME PERIOD.

EXCHANGE RATES

THE PIASTER WAS DEPRECIATED ANOTHER 10 PIASTERS PER US\$ DOLLAR EFFECTIVE JAN 4, WITH THE OFFICIAL RATE MOVING FROM 550 TO 560 AND THE CIP RATE GOING FROM 455 TO 465. THE EXPORT EXCHANGE RATE IS UNCHANGED AT 575:1.

JAPANESE INVESTMENT GUARANTEE

IN A WELCOME DEVELOPMENT, THE GOVERNMENT OF JAPAN HAS ANNOUNCED INVESTMENT GUARANTEES FOR JAPANESE INVESTORS IN THE REPUBLIC OF VIETNAM. THE GUARANTEES ARE QUITE LIMITED AS YET, APPLYING ONGI TO INVESTMENTS IN SECURE AREAS, PROBABLY MEANING URBAN AREAS, RESTRICTED TO A MAXIMUM OF US\$ 2 MILLION PER PROJECT AND APPLICABLE ONLY TO HIGH PRIORITY PROJECTS AS DEFINED IN THE GVN INVESTMENT LAW. THE INSURANCE REPORTEDLY COVERS LOSSES DUE TO WAR, NATIONAL ATION OR INCONVERTIBILITY OF PIASTERS TO YEN. ACCORDING TO JAPANESE EMBASSY SOURCES HERE THE GUARANTEES BECAME EFFECTIVE JAN 1.

IMPORT PROCEDURES

THE GVN HAS ANNOUNCED THAT EFFECTIVE DEC 28 IMPORTERS PURCHASING FOREIGN EXCHANGE UNDER THE GVN IMPORT REGIME MUST OPEN LETTERS-OF-CREDIT WITHIN THIRTY DAYS OF PURCHASING THE FOREIGN EXCHANGE. THE PRACTICAL IMPACT OF THIS MEASURE IS NOT EXPECTED TO BE VERY SIGNIFICANT SINCE THE GVN HAS ALL ALONG BEEN EFFECTIVELY PRESSING IMPORTERS TO OPEN LETTERS-OF-CREDIT PROMPTLY. THE FORM-LIZATION OF THIS REQUIREMENT, HOWEVER, SATISFIES ONE OF THE RECOMMENDATIONS MADE BY THE IMF TEAM DURING THE RECENT CONSULTATIONS IN SAIGON.

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